

Additional Questions for the City regarding TIF #2 Extension

1. Has the City received letters of support from other taxing bodies?

A letter of support has been received by Kane County.

The Geneva Park District voted unanimously at their board meeting on September 18, 2023 to provide a letter of support.

Waubensee Community College's Board meeting is September 20, 2023. Agenda Item XIV. E. is Letter of Support to Extend Geneva TIF 2.

The Library District's Board meeting is September 28, 2023.

2. Did the pandemic change how the money was used in TIF 2?

No.

3. We are seeing signs of another economic downturn and that would seem to affect the projections, would it not?

This would depend upon the scope of an economic downturn should one occur. The recession that began in December 2007 and ended in June 2009 resulted in an EAV reduction of \$853,310. The increment collected dropped by \$40,345.

4. Concerned that after 23 years, the City is asking to take it to 35 years. How does the City expect to get the project done in the next 12 years?

The City is currently in the ROW acquisition phase of the project. This is the final stage prior to putting the project out to bid. IDOT has the bid letting on their calendar for November 2024 with construction in 2025 through 2026.

5. Do not see where the money is going to be spent over the next 12 years.

As stated, the primary purpose for the request to extend TIF 2 is to complete the East State Street Road Construction Project. This includes roadway, utility and streetscape enhancements along East State Street from the Fox River to Kirk Road and is a joint project between the City of Geneva and the Illinois Department of Transportation. As 40% of the linear roadway is within TIF 2, funds to cover local costs (after grant funds) are included in the TIF 2 budget annually. Unfortunately, IDOT announced a project letting date of November 2024 which moved the project timeline past the life and spending range of TIF 2 (hence the request for an extension). We estimate the project cost to the TIF to be roughly \$3.6M (if able to maintain the grant funding) of a total project cost of \$19.7M. The City estimates that the entire 12-year period may be needed to recoup roadway project improvement expenses attributed to the geographical area of the TIF 2 district.

The East State Street TIF Redevelopment [Project and Plan](#) document outlines the overall goals of the TIF 2 district (beginning on page 15).

6. There is also TIF 3. Is that additional money that the School District is contributing? There is not enough information on that. For example, are we already funding TIF #3? Would like to see some kind of plan as to where the money will be spent.

Information regarding [TIF 3](#) may be found on the City's [website](#). Each year, the City holds a Joint Review Board Meeting and reviews the TIF 3 audit and annual report with the School District representative as well as with representatives of the other taxing districts.

The Geneva Fox River Redevelopment [Project and Plan](#) document outlines the overall goals of the TIF 3 district (beginning on page 24).

7. If the project does not get done – what happens?

Any funds remaining in the TIF 2 fund at the expiration of the TIF that are not committed to a project must be returned to the taxing bodies.

8. What was the road construction project that took place several years ago from the River to East Side Drive?

The construction projects we have been able to identify in recent years on Route 38 were:

- 2014 – Route 38/Kautz Road Overpass
- Spring 2016 – IDOT resurfaced Route 38 from the western border of Kane County to First Street
- 2018 – a substantial patching project was undertaken on East State Street

9. Is there the possibility that if this TIF is extended it will be used to fund a pet project?

All projects that receive consideration for funding are first vetted by professional staff, oftentimes with the assistance of a TIF consultant and then must be approved by the City Council. In vetting a particular project, the impact on the district's EAV and other considerations are reviewed.

10. The School District is required to have a capital plan. Where is the capital plan for TIF 2? Where does it show the intent of the TIF?

The TIF 2 goals and objectives are included in the [Redevelopment Project and Plan](#). Each fiscal year the City presents a budget for the upcoming year and a forecast for the following year. Pages from the current year budget are attached for additional information (see Exhibit A).

11. Twenty-three years is a long time to complete a street project that is seemingly in the City's wheelhouse. Would the City be willing to agree to refund the money if the project does not get completed?

The city is dependent upon IDOT for this project, please see response to question 4 above. Any remaining funds in the TIF 2 Fund are required to be distributed to the various taxing bodies.

12. School children should not have to pay for highways. Would like the City to say "you'll get it done."

The City continues to make every effort to see this project to completion - from securing grant funding, seeking legislative support, meeting with the Governor's office, the Secretary of Transportation, and other IDOT representatives. In addition, the City has expended \$1.6M (including ~\$550k TIF 2 funds) to keep this project moving forward.

13. Does TIF divert money from schools?

No. As a matter of fact, TIFs can create money for schools. Schools continue to receive all the tax revenue they were entitled to before the creation of the TIF district. Also, improving blighted areas of the City would increase the tax base in the long-run. The property tax revenue generated from private development attracted by a TIF designation is truly "new" money. Without TIF, development would not occur and the tax increment would not be produced.

Some critics of TIF argue that school districts are entitled to immediately receive a percentage of the TIF increment. However, it is the tax increment that pays for the improvements that attract private investment and stimulates economic growth. If the increment cannot be used for financing improvements and incentives, private investment and economic development will not occur, and no increment will be made available to any taxing bodies. With redevelopment property values will rise in properties surrounding the TIF area, providing added revenue to the school district and preventing further deterioration of the tax base.

When the TIF district expires, the tax increment is returned to the tax rolls and available to schools and other local taxing bodies—even in areas where property tax "caps" have been adopted.

Additional information:

TIF districts are typically established in blighted or underdeveloped areas with the aim of encouraging economic growth and revitalization. In a TIF district, property taxes are collected on properties included in the TIF district at the time of its designation continue to be distributed to all taxing districts in the same manner as if the district did not exist. Establishment of a TIF does not reduce property tax revenue (assuming the same levy rate

each year), but rather the increment (the difference in the amount of property tax revenue generated before TIF district designation and the amount of property tax revenue generated after TIF designation) become available to re-invest in the district to create long-term economic benefits. Therefore, thinking about a TIF in terms of “missed” or “lost” revenue assumes that redevelopment would have occurred in the same manner with or without establishment of the TIF. This assumption is inaccurate for several reasons including that prior to the establishment of TIF 2 the increases of equalized assessed value (EAV) of properties in the district were not keeping pace with the increases in EAV for properties within the City as a whole. Please see attached a sampling of “success” stories illustrating this point (see exhibit B).

For a five year period prior to the establishment of TIF 2, the EAV in the district increased by 0.7%. Over the same period, the EAV of the City of Geneva as a whole increased by 38.2%. This is evidence that the properties within the TIF area were not able to keep pace with the average growth in property values seen through the City as a whole.

When comparing the EAV growth in TIF 2 over the life of the TIF compared with the EAV growth of the City as a whole, the TIF 2 district EAV increased and more closely trended the same as the City as a whole.

City wide EAV 2001	City Wide EAV 2022	TIF 2 EAV 2001	TIF 2 EAV 2022
\$582,222,852	\$1,159,568,585	\$3,181,863	\$6,199,616
City Growth	99.16%	TIF Growth	94.84%

CAPITAL FUNDS

Tax Increment Financing District #2 Capital Project Fund

The East State Street TIF District, TIF #2, encompasses twenty-four acres just a mile east of Geneva’s historic downtown. The TIF #2 Capital Projects Fund accumulates resources for the payment of principal and interest on the TIF Revenue Bonds and capital improvements within the TIF District. Financing is provided by incremental property tax. Proceeds from these bond issues were used for capital improvements in the TIF #2 project area. Additionally, revenues are budgeted for an 80% reimbursement from the State of Illinois for the East State Street reconstruction project.

East State Street TIF District



CITY OF GENEVA, ILLINOIS
Budget Detail by Account
Fiscal Year Ending April 30, 2024 & 2025

Fund 425 - TIF #2

Account	Description	2020-2021 Actual	2021-2022 Actual	2022-2023 Budget	2022-2023 Projected	2023-2024 Budget	2024-2025 Forecast
Revenues and Other Financing Sources							
410	Property Tax	\$ 249,693	\$ 251,760	\$ 265,000	\$ 252,670	\$ 254,000	\$ -
Total Taxes		249,693	251,760	265,000	252,670	254,000	-
481	Interest Income	8,344	4	13,500	13,500	14,500	10,000
485	Reimbursed Expenditures	-	-	561,205	-	561,205	-
Total Other Revenues		8,344	4	574,705	13,500	575,705	10,000
499	Reappropriation	-	-	152,240	-	22,570	736,120
Total Other Financing Sources		-	-	152,240	-	22,570	736,120
Total Revenues and Other Financing Sources		\$ 258,037	\$ 251,763	\$ 991,945	\$ 266,170	\$ 852,275	\$ 746,120
Expenditures and Other Financing Uses							
501	Wages - Regular	\$ 42,274	\$ 47,613	\$ 42,171	\$ 47,795	\$ 52,766	\$ -
521	Group Insurance	6,123	7,411	7,160	8,110	8,311	-
522	Medicare	592	667	611	695	765	-
523	Social Security	2,469	2,804	2,562	2,965	3,223	-
524	IMRF	4,815	5,139	4,239	4,500	3,955	-
528	Unemployment Compensation	-	-	-	-	-	-
Total Personnel Services		56,274	63,635	56,743	64,065	69,020	-
541	Accounting & Auditing Service	1,548	2,315	1,750	2,000	2,000	2,120
543	Legal Service	3,593	4,080	4,002	4,000	4,000	-
559	Other Professional Services	-	5,000	20,000	715	-	-
561	Postage	-	-	50	-	50	-
563	Publishing	-	138	200	-	200	-
571	Dues & Subscriptions	650	650	770	650	-	-
573	Training & Professional Development	150	-	425	-	-	-
599	Other Contractual Services	-	645,902	200,000	31,500	69,000	-
Total Contractual Services		5,941	658,085	227,197	38,865	75,250	2,120
815	Improvements Other Than Buildings	-	-	708,005	-	708,005	744,000
Total Capital Outlay		-	-	708,005	-	708,005	744,000
Total Expenditures and Other Financing Uses		\$ 62,215	\$ 721,720	\$ 991,945	\$ 102,930	\$ 852,275	\$ 746,120

CITY OF GENEVA, ILLINOIS
 FY 2024 & 25 Capital Improvement Program by Fund
 Fiscal Years Ending April 30, 2024 & 2025

Fund	Account	Description	FY 2024	FY 2025
425	TIF #2			
	815.05	Historic Geneva Sign Restoration	\$ 6,500	\$ -
	815.10	East State Street Construction	-	744,000
	815.10	East State Street ROW Acquisition	701,505	-
			\$ 708,005	\$ 744,000
			1.65%	2.64%
426	TIF #3			
	815.10	East State Street Construction	\$ -	\$ 892,800
	815.10	East State Street ROW Acquisition	489,800	-
			\$ 489,800	\$ 892,800
			1.14%	3.17%
430	Capital Equipment			
	820	Phone System Replacement	\$ 250,000	\$ -
	820	Night Vision Goggles	7,500	-
	820	Portable Speed Display Signage	10,000	-
	820	Sighting System for Patrol Rifles	6,500	-
	820	Apparatus Corrosion Repair	20,000	-
	820	Fire Department Rescue Boat #2	20,000	-
	820	Brush Truck Replacement Pump Skid	20,000	-
	820	Fire Hoses	5,000	5,000
	820	Fire Station Security System	25,000	-
	820	Personal Protective Equipment (PPE)	26,000	38,000
	820	Replacement Snow Plow Blade - Station 1	10,000	-
	820	SCBA Equipment (Bottles/Packs/Masks)	10,000	400,000
	820	Snow Plow Blade - Station 2	10,000	-
	820	Fire Special Teams Equipment	10,000	10,000
	820	Station Alerting System Replacement	125,000	-
	820	Thermal Imaging Camera Replacement	10,000	-
	820	Turnout Gear Dryer	10,000	-
	820	Bobcat Skidsteer	20,000	-
	820	Front End Loader	-	90,000
	820	PW/GEMA Radios	128,250	-
	820	Sidewalk Grinder	10,000	-
	820	Unmanned Aerial System (UAS)	20,000	-
	825	Two Police Patrol SUV	120,000	-
	825	2022 Ford F250 Vehicle (Car 202) EV	75,000	-
	825	Wheel Loader	250,000	-
	825	Two 1-Ton Dump Trucks with Plow	260,000	-
	825	Single Axle Dump Truck with Plow	270,000	-
	825	Three 1-Ton Dump Trucks	-	390,000
	825	Forestry Bucket Truck	-	200,000
	835	Annual Computer Replacements	66,655	39,785
			\$ 1,794,905	\$ 1,172,785
			4.17%	4.16%
620	Electric			
	810	PW Building Repairs & Improvements	\$ 15,000	\$ 15,000
	810	Restoration of PW Roof	233,335	-
	810	PW Fuel Dispensing System Upgrade	100,000	-
	810	Green Initiative - PW LED Lighting	5,000	5,000
	815.05	Dumpster Weather Cover	5,000	-
	815.05	Community Betterment Projects	2,000	2,000
	815.25	Underground Cable Replacement Program	1,000,000	1,000,000

CAPITAL IMPROVEMENT PROGRAM

Project Title: Annual Roadway Improvement Program

Project Description: An annual street resurfacing program that focuses on ADA upgrades and additional streets that require resurfacing due to deterioration. The actual number of streets to be resurfaced is dependent on bid results.



Strategic Plan Objective: EV-III, EMS-II

Source of Funding: Infrastructure Capital Projects Fund

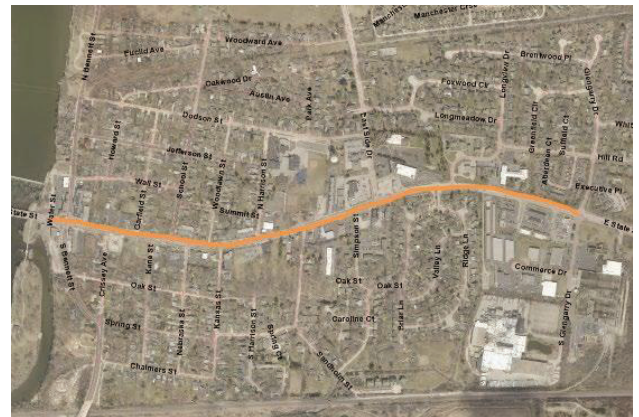
Budgeted Costs FY 2024: \$2,000,000
FY 2025: \$2,000,000

Projected Year of Completion: Ongoing subject to future budgets.

Impact on Operating Budget: This project is estimated to reduce street maintenance cost in the first few years of resurfacing.

Project Title: East State Street Engineering Phase 2

Project Description: Phase 2 design commenced in FY 14. Staff anticipates that the Phase 2 design will be completed several months after the ROW acquisition.



Strategic Plan Objective: EV-III, EMS-II, QL-I

Source of Funding: Infrastructure Capital Projects, TIF 2, TIF 3

Budgeted Costs FY 2024: \$20,000
FY 2025: \$1,392,800

Projected Year of Completion: 2025

Impact on Operating Budget: This project is not estimated to have an impact on the annual operating budget.

CAPITAL IMPROVEMENT PROGRAM

Project Title: East State Street ROW Acquisition

Project Description: The acquisition to secure additional land for ROW and Construction Easements along the East State Street project. This is the estimated amount to complete the necessary ROW and Construction Easements to allow for the East State Street Reconstruction Project.

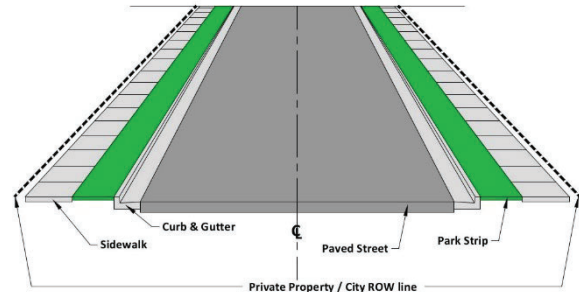
Strategic Plan Objective: EV-III, EMS-II, QL-I

Source of Funding: Infrastructure Sales Tax, TIF 2, TIF 3, CMAQ Grant

Budgeted Costs FY 2024: \$1,866,305

Projected Year of Completion: 2024

Impact on Operating Budget: This project is not estimated to have an impact on the annual operating budget.



Project Title: Pavement Management Report

Project Description: The Pavement Management Report will secure professional services to develop a ten-year Pavement Management Report for the city roadways. The report will assist staff in developing the next ten-year program that will be utilized in future budget planning.

Strategic Plan Objective: EV-III, EMS-II, EMS-IV

Source of Funding: Infrastructure Capital Projects Fund

Budgeted Costs FY 2024: \$50,000
FY 2025: \$5,000

Projected Year of Completion: 2025

Impact on Operating Budget: This project is not estimated to have an impact on the annual operating budget.



CAPITAL IMPROVEMENT PROGRAM

Project Title: State Street Bridge Railing Replacement Design

Project Description: The replacement of the failing bridge railings with an aesthetically pleasing and low maintenance railing. In March 2022 the City secured an agreement with Bollinger, Lach and Associates to design, prepare specifications, bid documents, permitting and construction management to replace the State Street Bridge Railings.

Strategic Plan Objective: EV-III, EMS-II, QL-I

Source of Funding: Infrastructure Capital Projects Fund

Budgeted Costs FY 2024: \$120,000
FY 2025: \$1,000

Projected Year of Completion: 2025

Impact on Operating Budget: This project is estimated to decrease maintenance costs.



Project Title: Historic Geneva Sign Restoration

Project Description: The restoration of the deteriorating historic Geneva sign within TIF 2.

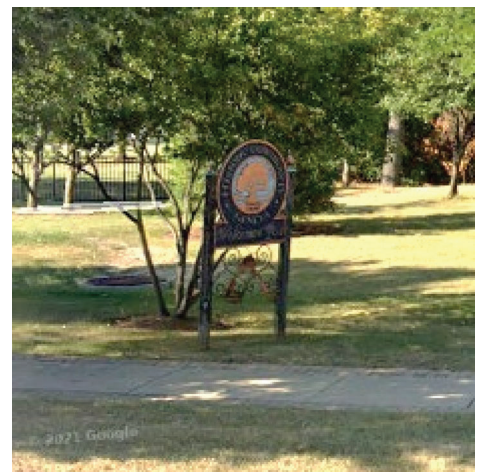
Strategic Plan Objective: EV-III

Source of Funding: TIF 2

Budgeted Costs FY 2024: \$6,500

Projected Year of Completion: 2024

Impact on Operating Budget: This project is not estimated to have an impact on the annual operating budget.



ALDI

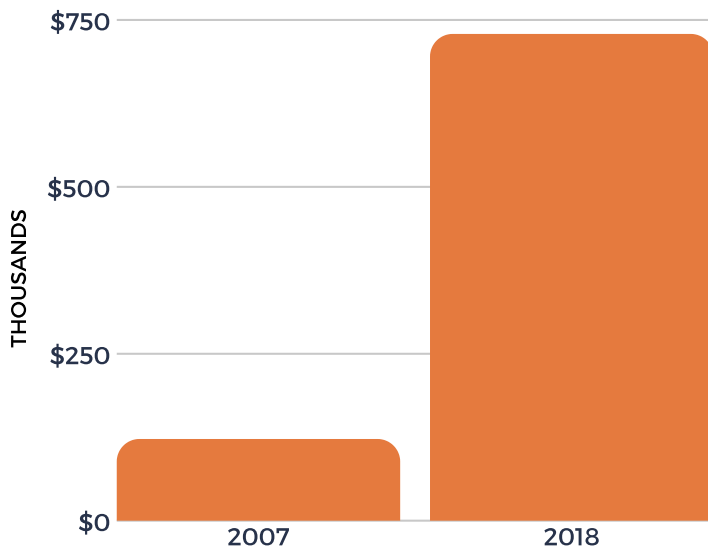
CASE STUDY

EAST STATE STREET TAX INCREMENT FINANCING DISTRICT

Delivered: 2007
18,062 SF of retail space
81 surface parking spaces
Job creation: 9

Since the closing of Frank's Family Foods in 1998, the City affirmed an interest in attracting a grocery store at or near the intersection of East State Street and East Side Drive. Established in 2000 the East State Street TIF District authorized the City to invest TIF funds in the area to make such a project economically feasible to a developer. Plans were drawn for a 100,000 sq ft area at the northeast corner of the intersection. The two parcels formerly held a deteriorating strip center with six separate tenant spaces, four of which were vacant, as well as an abandoned 4-car garage building.

**PROJECT AREA:
\$606,723 EAV INCREASE SINCE 2007**



HOW TIF HELPED

- Land purchase
- Building demolition
- Site preparation
- Public infrastructure improvements

OUTCOME

In 2007, ALDI was built, generating a new source of property and sales tax revenue for the City, as well as providing a new option for grocery shopping for residents. The current Equalized Assessed Value (EAV) of the property is \$727,545, a 83% increase from before the TIF.

\$2.6 MILLION

Private Investment

\$450 THOUSAND

TIF Funded Investment

CVS/PHARMACY

CASE STUDY

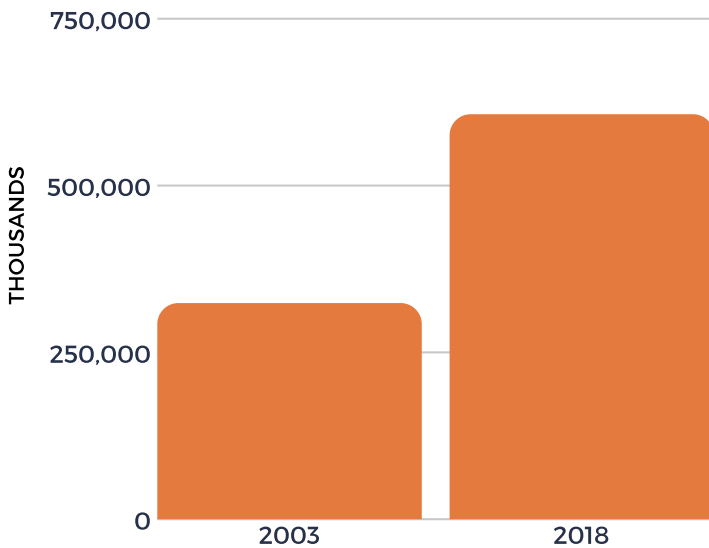
EAST STATE STREET TAX INCREMENT FINANCING DISTRICT

Delivered: 2003
11,000 SF retail space
66 surface parking spaces
Job creation: 27

The former Frank's Family Foods Store sat vacant for three years on the corner of East State Street and East Side Drive. The 23,000+ sq ft building had generally fallen into disrepair. The East Side community expressed a need for a business with daily household items and food products at the three acre site. In 2003, under the authority of the East State Street TIF District, the City provided the necessary financial incentives to enter into a partnership with CVS/Pharmacy, who invested in this redevelopment opportunity. The City purchased a portion of the original tract for a new Geneva Fire Station.



PROJECT AREA:
\$282,986 EAV INCREASE SINCE 2003



HOW TIF HELPED

- Building excavation and demolition
- Landscape and streetscape improvements
- Enhanced lighting
- Upgraded building architectural elements

OUTCOME

This TIF agreement attracted a nationally recognized retailer that now anchors this primary intersection. The community gained the quality goods and services which it needed. The physical appearance and productive use of the site has been restored. The current Equalized Assessed Value (EAV) of the property is \$605,327, a 47% increase from before the TIF.

\$3.5 MILLION

Private Investment

\$125 THOUSAND

TIF Funded Investment

DAIRY QUEEN

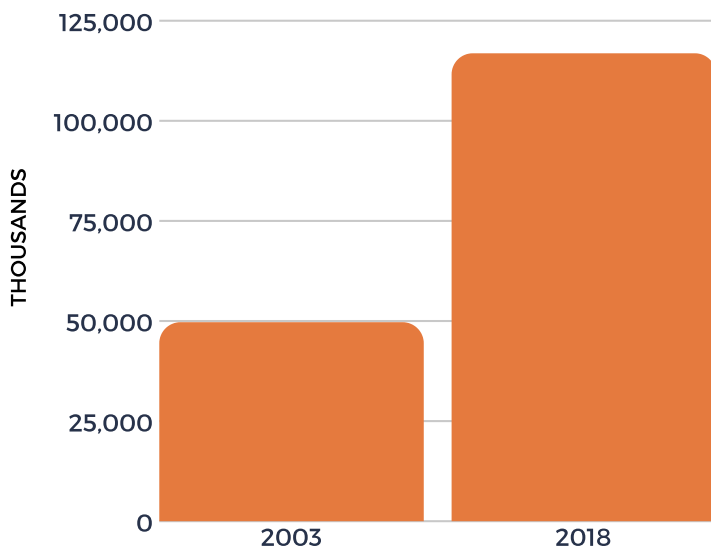
CASE STUDY

EAST STATE STREET TAX INCREMENT FINANCING DISTRICT

Delivered: 2003
1,482 SF commercial space
27 surface parking spaces
Job creation: 26

When redevelopment discussions began between the City and Dairy Queen in 2003, the restaurant had been an icon on East State Street for the last 40 years. With the help of TIF funds, the neighborhood had recently gained a CVS/Pharmacy and a new facility for Valley Animal Hospital. The restaurant owner thought it was a good time to invest in a larger space for business operations on the 17,366 sq ft site. Through a partnership with the City, the existing 800 sq ft building would be replaced with larger 1,482 sq ft restaurant with new positioning.

PROJECT AREA: \$67,161 EAV INCREASE SINCE 2003



HOW TIF HELPED

- Building excavation and demolition
- Site improvements

OUTCOME

The enhanced Dairy Queen continues to serve residents and travelers on the Lincoln Highway with a convenient drive-through window and outdoor seating. The project included new off-street parking, driveways, curbs, and sidewalks, thanks to a facade grant. This improvement was critical to the revitalization of the East State Street corridor. The current Equalized Assessed Value (EAV) of the property is \$116,604, a 56% increase from before the TIF.

\$300 THOUSAND

Private Investment

\$40 THOUSAND

TIF Funded Investment

MUNCHIE P'S

CASE STUDY

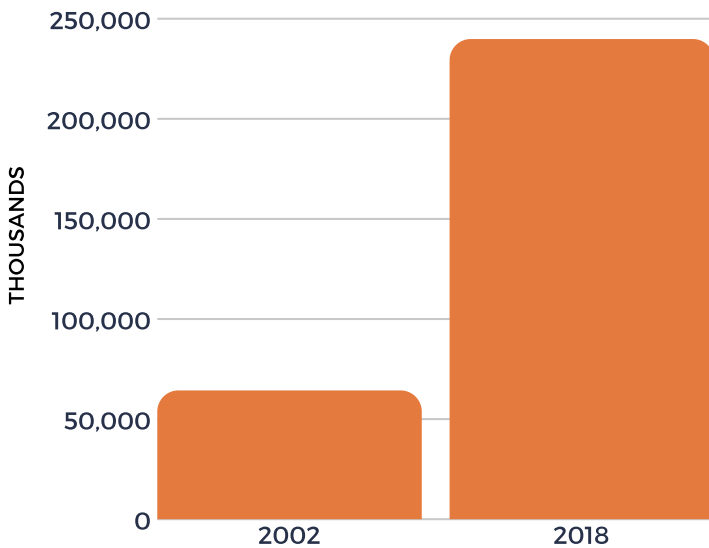
EAST STATE STREET TAX INCREMENT FINANCING DISTRICT

Delivered: 2002
4,905 SF multi-tenant commercial space
27 surface parking spaces
Job creation: 43

Munchie P's Eatery first opened its doors at 415 E State Street in 1977. Through the years the facility has transformed to meet the needs of a growing customer base. In 2002, the restaurant owner formed a partnership with the City to demolish the existing structure and build a larger one story masonry building on the 27,000 sq ft lot. With the help of East State Street TIF District funding, the owner was able to upgrade this Geneva institution with comfortable interior seating, modern amenities, and a small outdoor eating area.



PROJECT AREA: \$175,525 EAV INCREASE SINCE 2002



HOW TIF HELPED

- Building demolition
- Public infrastructure improvements
- Landscaping

OUTCOME

The new Munchie P's Commercial Center was a significant improvement to the former structure and site. The project enhanced Munchie P's Eatery and added 3,600 sq ft of space for office and retail tenants. The current Equalized Assessed Value (EAV) of the property is \$239,334, a 63% increase from before the TIF.

\$660 THOUSAND

Private Investment

\$30 THOUSAND

TIF Funded Investment

VALLEY ANIMAL HOSPITAL

CASE STUDY

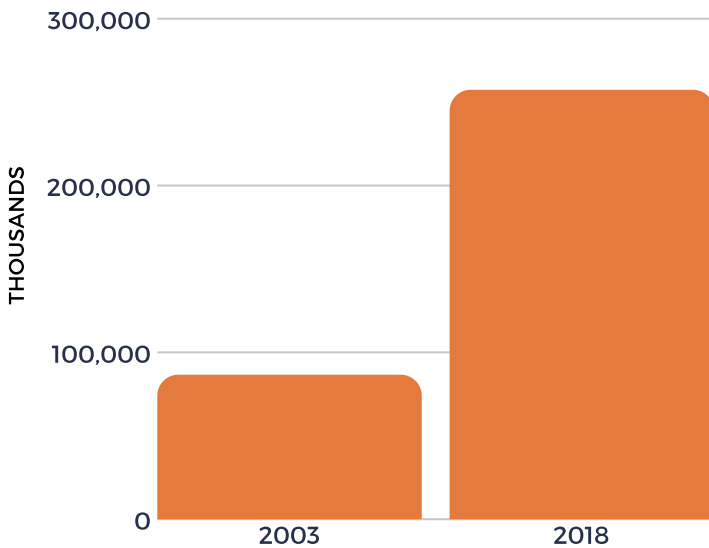
EAST STATE STREET TAX INCREMENT FINANCING DISTRICT

Delivered: 2003
3,823 SF commercial space
16 surface parking spaces
Job creation: 21

Valley Animal Hospital was established back in 1960 in a 900+ sq ft building on the corner of East State and Simpson Streets. In 2003, the owners decided to replace the building with a larger full service veterinary medical facility which would add nearly 3,000 sq ft to the operation and off street parking. The property redevelopment was economically feasible thanks to the City's financial support under the authority of the East State Street TIF District.



PROJECT AREA: \$170,786 EAV INCREASE SINCE 2003



HOW TIF HELPED

- Storm sewer removal and replacement
- Replacement of public sidewalk
- Electric improvements
- Building excavation and demolition

OUTCOME

With the aid of TIF, Valley Animal Hospital was able to expand and continue to serve Geneva residents from its East Side location. It grew to employ five veterinarians and 16 support staff. The current Equalized Assessed Value (EAV) of the property is \$256,786, a 66% increase from before the TIF.

\$640 THOUSAND

Private Investment

\$72 THOUSAND

TIF Funded Investment